



TOM COBURN, M.D.

UNITED STATES SENATOR • OKLAHOMA



For Immediate Release

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Dr. Coburn, Fiscal Watch Team Unveil Plan to Pay for Katrina Spending

(WASHINGTON, D.C.) – U.S. Senator Tom Coburn, M.D. (R-OK) and six senate colleagues today unveiled their proposal to offset government spending on relief efforts in the aftermath of Hurricanes Katrina and Rita. The senators announced their proposed government spending cuts during a Capitol Hill press conference this afternoon.

“Congress is learning what the American people already know – charity requires sacrifice. Congress can help those in need in the Gulf Coast without putting the bill on a credit card the next generation will have to pay back. Among the American people there is a growing rumble about our unsustainable fiscal course. I believe this package will help quiet that rumble and build a bridge to fiscal sanity and responsibility,” Dr. Coburn said.

Dr. Coburn, joined by Senators Sam Brownback, Jim DeMint, John Ensign, Lindsey Graham, John McCain and John Sununu, proposed the following actions to offset hurricane relief spending:

- A freeze on cost-of-living adjustments for federal employees, including members of Congress, with the exception of law enforcement and military personnel.
- A two-year delay in implementation of the Medicare prescription drug benefit except for low-income seniors who would receive \$1,200 in assistance with their drug discount cards.
- A requirement that those with higher incomes pay higher Medicare Part B premiums in 2006, rather than in 2007 as currently scheduled.
- Eliminate \$24 billion in special project spending in the recently passed highway bill.

- A cut of 5% to all federal spending programs except those which impact national security, with 1% set aside for funding of essential programs.

The package of offsets proposed today could save the American taxpayers nearly \$130 billion over two years.

2006 – 2010 REVENUE OFFSET OPTIONS

	SPENDING DECREASE / TAX INCREASE	2006	2007	2006 to 2011
1	FY2006 5.0% Across the Board Non-Security Cut with a 1% Hold Harmless ^[1]	\$16.5B		
2	Freeze COLA for Members of Congress & Federal Employees ^[2]	\$2.0B		
3	Delay Implementation of Medicare Part D Prescription Drug Program Continue Drug Discount Card & Double From \$600 to \$1200 Low Income Subsidy ^[3]	\$30.0B	\$50B	
4	Accelerate Medicare Part B “Means Test” and Eliminate Phase-In	\$2.0B		\$7.0B over Five Years
5	Eliminate the Earmarks in the Highway Bill	\$24.0B		
6	Commission to Eliminate Duplicative and Wasteful	Negligible		
	TOTAL:	\$74.5B	\$50B	\$129.5B

^[1] FY06 Discretionary Spending is \$842,265,000,000 in BA. The Committee Reported Defense Appropriations bill contains \$390,200,000,000 in spending (excluding emergency spending and use of the reserve fund) and Homeland Security Conference Report includes \$30,800,000,000 in spending (excluding

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^[2] This proposal will save \$8 million with just the Congressional pay freezes.

^[3] This proposal may also produce savings past 2006 and 2007 during the time period that the drug benefit is being phased in. The low income subsidy is provided to seniors with annual income of less than 150% of the poverty line.

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